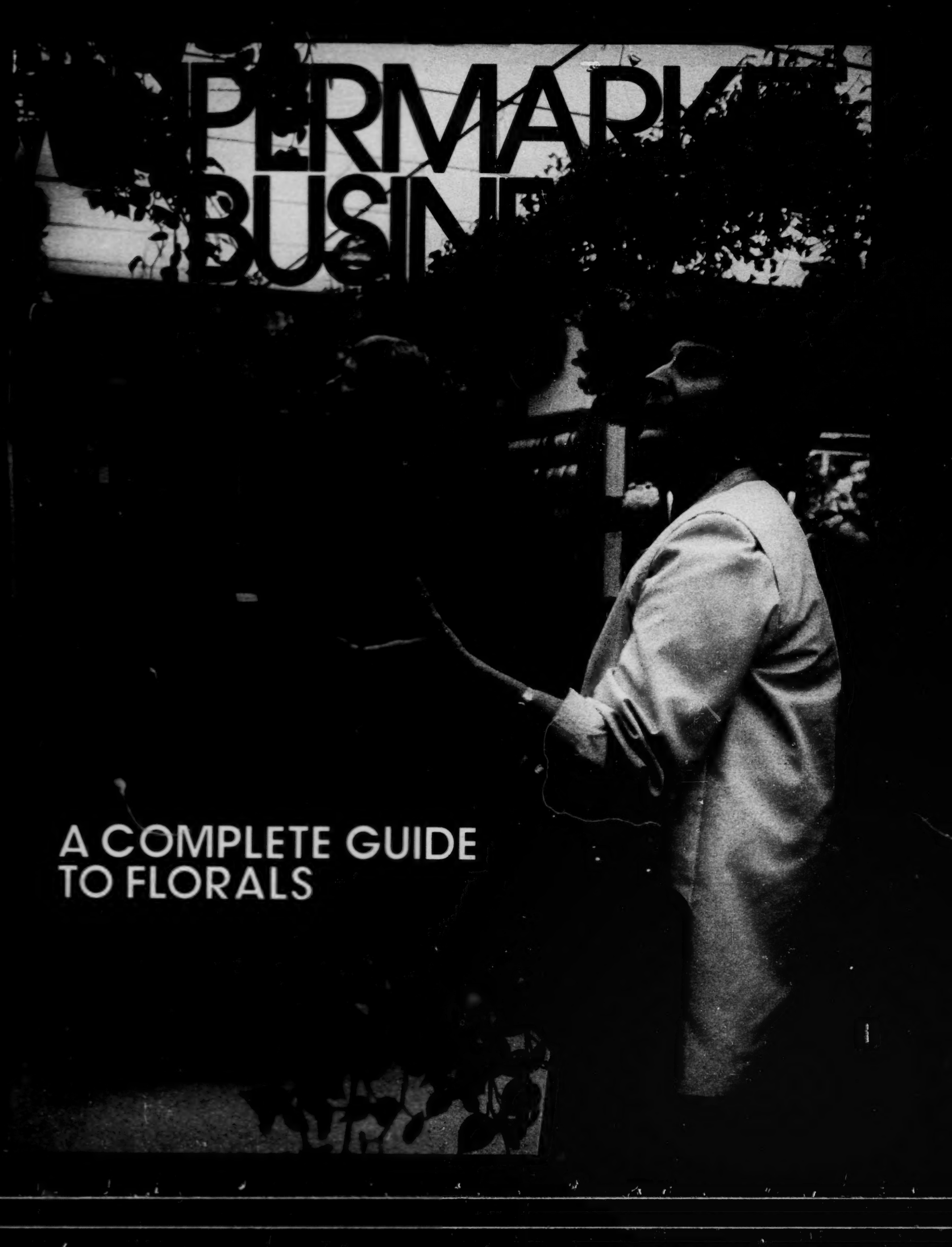
PERMARK
BUSINE
A COMPLETE GUIDE
TO FLORALS

SUPERMARKET BUSINESS

VOLUME 39
NUMBER 12
DECEMBER 1984

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SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: (212) 354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $32 per year; Canada, $37 per year. Foreign subscriptions $48. Single copies $3.50 except Consumer Expenditures Study (September issue) $20 per copy. (Discount prices available on multiple purchases.)

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Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

PAGE 21
MARKETS IN FLUX: SHOOTOUT IN KEENE, N.H.

Keene, N.H., is like a lot of pretty New England towns. But what's happening there isn't pretty. In this small area, there's been quite a struggle for the food dollar. There are two new super warehouse stores on the scene, three old stores down, and probably more to go.

PAGE 27
A COMPLETE GUIDE TO FLORALS

Some supermarket shoppers—and some supermarkets—view the floral department as a neglected offspring of produce. But florals are beginning to come into their own, and the supermarket is the perfect place for an explosion in floral sales. Supermarket employees can't know the answer to everything—but they can at least try. Here, we have provided information and merchandising tips that should be of value to every floral department—regardless of size. This desk reference floral guide should be a long-lasting and invaluable sales tool.

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CIGARETTES: HOW THE ROLE OF DISTRIBUTORS IS CHANGING

In order to satisfy 99 percent of cigarette smokers, you have to carry a formidable 168 packings. Multiply this by the number of tax jurisdictions that a grocery warehouse services, and there's an explosion in the number of SKUs to be accommodated. Small wonder that many warehouses are restricting their order books to the fastest movers. They then send smoke signals to local tobacco distributors to "fill in" with an assortment of fringe brands. Result: a full, fresh, demographically attuned selection.

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NONFOODS BUSINESS: WHAT SUPERMARKETS HAVE DONE WITH FUN IN THE SUN PRODUCTS

The length of the selling season for sun care products varies from region to region, but it's still a growing season. And now supermarket operators and manufacturers are beginning to take advantage of people's willingness to care more for their skin year-round—whether on sunny ski slopes or the blazing beaches of the subtropics. Sun care needn't be restricted to just a few months a year. Here's a look at what some operators are doing to broaden the category.

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SAMI UPDATE:
October Sales Fail to Match 1983 Growth Rate

BY ALAN MILLER, JR.

At first blush, the 1.5 percent gain in unit sales of HBA items measured by SAMI in food stores for the period ending October 12 is less than impressive. However, when the increase is considered in light of the high year-ago base resulting from a 4.3 percent jump in the corresponding 1982 period, the current trend is not as ho-hum as would otherwise be the case. The 1.5 percent increment for the reporting period ending 10/12/84 is the same as for frozen foods, weakened by frozen orange juice concentrate consumer demand resulting from scarcity and high prices as an aftermath to the Christmas 1983 Florida freeze. It is a higher rate of gain than the one percent tonnage improvement in dry grocery food volume, but trails the unit sales increase of 21 percent for dry grocery nonfood products during the same 28 day reporting period. In the combined HBA categories tracked by SAMI, the 52-week trend now stands at + 2.5 percent while the 12-week trend is + 1.3 percent.

During the current four-week period under study, there were gains in five out of eight product groups. The highest rate of gain for a product group was 7.6 percent for hair care needs. On the downside was shaving needs where the unit loss was 4.8 percent. This ratio represents an improvement over the preceding period in September when there were five product groups in the minus column. There was also a slight gain in the gain/loss ratio on a product category basis, with 23 out of 50 recording gains vs. 21 during the prior period. The new mousse hair styling products have contributed to a unit increase of 413 percent for hair care setting needs vs. the corresponding year ago four-week period.

In the baby need HBA section of the store, SAMI tracks four product categories and as of mid-October, there was only one—nursing supplies—showing a gain, but the 5.4 percent increase in this largest volume baby needs category was sufficient to occasion a small gain of 0.6 percent for all four categories.

Five of the eight deodorant categories tracked by SAMI exhibited losing trends as compared with only two with gains—roll-ons + 2.6 percent and sticks + 0.1 percent and a no-change situation in the case of feminine douches. The three deodorant categories with the highest rates of loss are the same three with 52-week volume declines also—cream deodorants, deodorant and talcum powders, and feminine hygiene deodorants. There was also a decline for spray deodorants suggesting that the body deodorant entries may not be living up to sales expectations.

Volume changes were slight among first aid items with a gain of one percent even, in first aid products and a loss of 0.8 percent for first aid antiseptics.

In addition to hair setting needs, there were also four-week category gains among hair sprays (+ 8.0 percent), shampoo (+ 5.4 percent) and hair conditioning rinses (+ 4.0 percent). Losses were found in three hair care needs categories: home permanent kits (− 13.0 percent), hair dressing needs (− 1.2 percent) and hair coloring (− 0.7 percent). All three of these categories have recorded downward trends over the 12-week period.

Only two out of six oral hygiene categories show loss rates: toothpaste and powders and denture cleaners, but a four-week decline of two million units among toothpastes was sufficient to bring about red ink for the entire product group to the extent of minus 2.7 percent. The dentifrice loss can be attributed to a high level of deal activity in the year ago period which was not repeated in the same period this year. During the next few months, it is expected that volume from new toothpaste pumps will liven up the category. There is no important new product activity among denture cleaners, which shows a loss of 5.1 percent, whereas new Secure has helped to expand the denture adhesive category 3.2 percent. Four-week volume for mouth washes grew 10 percent.

There are 13 product categories in SAMI's proprietary remedy product group and in the period under study there were gains in eight and losses in five. The two categories with continuing standout performance are cold tablets with a gain of 14.7 percent and eye care products, ahead 14.6 percent. The growth among cold tablets has been caused by proprietary entries of ethical drug companies such as Burroughs-Wellcome and Schering. New product activity has expanded volume in internal analgesic.

Once again, all five categories of shaving needs were trending

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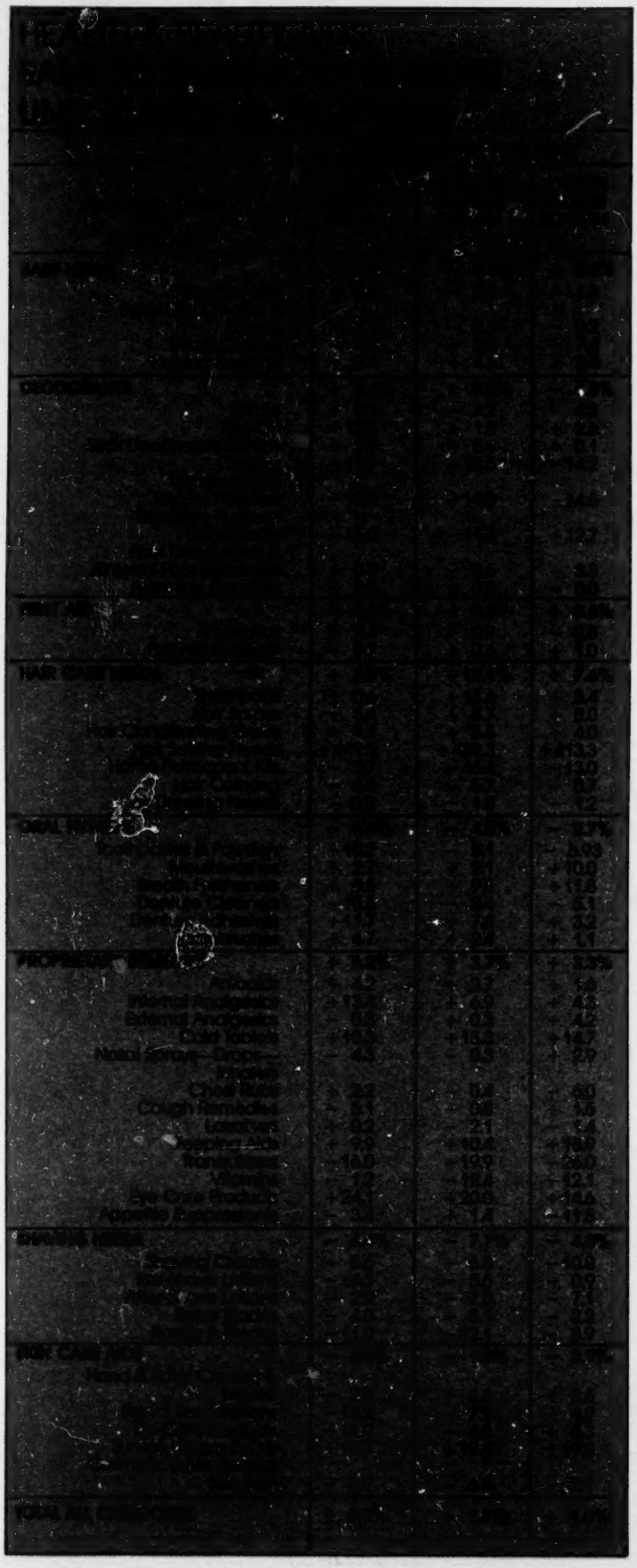

SUN CARE PRODUCTS

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found that carrying the latest styles is essential to making the sunglass sale, and sunglass manufacturers review their lines annually, following trips to Europe and the Orient to uncover the latest sunglass trends. Says Richard Enholm, vice president of marketing at Foster Grant, "Sunglasses are probably the most important fashion accessory—and one of the most visible."

Despite recent product activity, supermarkets have, to a degree, been reluctant to jump on to the sun care bandwagon in full force. The seasonal nature of the entire category, instore space constraints and the additional problem of sunglass pilferage often work against full sun care commitment.

Although suntan and sunscreen manufacturers, who—by and large—still view and promote their goods as primarily for summer use, are pleased with supermarket performance, among sunglass manufacturers, some strains of discontent are obvious.

Most sunglass suppliers believe that their product is a year-round rather than a seasonal item: Many say that the off-season months can account for 25 to 33 percent of annual sales. In addition, sunglasses are a high-impulse item. As one manufacturer says, "No one really goes into the supermarket planning to buy them. They have to be there—and be there prominently—to make the sale."

Given this view, many manufacturers are concerned that the majority of supermarketers are preventing maximization of sales by taking down sunglass displays after Labor Day weekend. The view of Opti-Ray's national sales manager, Bob O'Keefe, is representative of much of the sunglass industry: "The majority of supermarkets carry only one line. They usually treat sunglasses as a stepchild; the majority have not made a great commitment to sunglasses. Of course," he goes on to note, "there are exceptions," among which he counts Safeway, Alpha Beta/Skaggs and Wegmans.

Others, such as the Bonneau Co.'s marketing and sales promotion manager, David Moore, note that supermarket commitment is often a matter of store size, and, hence, available space. Moore reports that, although many stores are reluctant to stock sunglasses year-round, combo stores and super stores in general are more apt to do so, and also to devote more room to the category, whatever the season.

And, of course, sun care products—both suntan and sunscreen products, sunglasses and other season-related paraphernalia such as beach balls, towels and umbrellas—fare far better year-round in warmer climates where snow is a weather deviation rather than the norm.

At Smitty's Super Valu (Phoenix, Ariz.) the peak season runs a lengthy January through September. During this nine-month stint, Smitty's sundries buyer Claudia Halfmann, sets up a Sun Shop in the concourse area: the aisle between the foods and the nonfoods sections of the company's 20 stores. In the Sun Shop are sold what Halfmann terms "the basics" in sun care products, as well as sunglasses and the accompanying towels, umbrellas, picnic coolers and so forth.

For Smitty's "the basics" go far beyond what many other supermarkets carry, rivaling even many drugstores in product scope. Suntan and sunscreen items include Bain de Soleil ("probably our best seller"), nationwide best sellers Coppertone products and Johnson & Johnson's Sundown, Hawaiian Tropic, Sea & Ski, a private label as well as prepacks of Eclipse and PreSun, two sunscreens that are often recommended by dermatologists.

Sunglasses at Smitty's, two racks of Foster Grants, are given an advertising boost January through April, when they are the focus of a wave of radio and television ads created and produced by Smitty's advertising department. Halfmann echoes with experience the admonitions of sunglass manufacturers to keep abreast of current lens and frame styles. Following the successful solving of a problem with old stock in 1983, Smitty's saw sunglass sales increase by approximately 35 percent during the 1984 season.

Another sun spot with an extended peak season is, of course, Florida. Butch Hilton, vice president of supermarket operations for Miller's Supermarkets (Crescent City, Fla.) attributes at least 15-20 percent of sun product sales to visiting northerners. Although his stores carry fewer product lines than some others, they are represented year-round and regularly promoted.

On several occasions throughout the year, representatives from the various skin sun care manufacturers visit Miller's to offer potential customers samples and information. In addition, Miller's Supermarkets are located in heavy lake country, in what local residents term the "Bass Capital of the World." To lure fishing contest participants into his stores, Hilton works with both sun care and non-sun care suppliers (such as tobacco distributors) and with the parent company's (Miller Enterprises) 135 convenience stores by offering special discounts and sample packages.

Another successful ploy used by both southern as well as more northern retailers to stimulate sun care sales is the fun-in-the-sun theme promotion. At Smitty's, as at many other stores, theme ads centered upon national holidays, such as the Fourth of July and Labor Day, serve especially well to increase overall sales. The increased planned activity on the part of consumers, adds Miller's Hilton, makes these holiday-timed theme promotions especially successful.

On the suppliers' end, too, special promotions, festive, informative displays and—especially among sunglasses—new products, portend a successful season for 1985. While skin sun care product manufacturers plan to continue (with a few additions) with the lines they already have, creative merchandising/display units, typified by the highly acclaimed units provided by Hawaiian Tropic and Coppertone, should keep both consumer interest and retailer profits high.

On the sunglass front, look for somewhat more new product action. In addition to the new styles and line overhauls that have become standard, 1985 will see the launching of several major new sunglass lines.

On the fashion and style side, Bonneau will be introducing the first legal line of sunglasses to carry the Michael Jackson name. Slated for a February release, this line—individually selected by the seemingly ubiquitous star himself—is geared toward the 12–30 age bracket and has a suggested retail of $12 to $18. Says Bonneau's Moore, "He [Jackson] has been the excitement of the sunglass world—He wears them all the time!" Jackson plans to wear the new line to the Grammys and other events throughout the year.

For the less star-struck, Opti-Ray (in a licensing agreement with Plough, Inc.) will launch its line of Coppertone SunProtectors, available in 60 styles and four lens types, with a suggested retail price of $10 to $16. According to Opti-Ray's national sales manager, SunProtectors offer maximum ultraviolet protection and feature the most impact-resistant lens available. Adding that the Coppertone line "really is a sun protector rather than your traditional sunglass," O'Keefe stresses that retailers should "view it as an adjunct to any traditional program," one that is aimed toward a perhaps less frivolous, more protection-oriented consumer. ■

SAMI

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downward although only in the case of razor blades is there a unit loss rate on a 52-week basis (−2.4 percent). The 10 percent loss for shaving creams compared with an atypically sharp increase (+19.9 percent) in the corresponding year-ago period. After shave lotion sales were down 7.1 percent, razor sets fell 8.9 percent and the 2.2 percent loss for razor blades was close to the annual rate decline.

Finally, in the skin care aids product group, there were negative trends for facial preparations (−4.9 percent) and cosmetic and medicated skin aids (−2.1 percent). However, sales for the product group rose 2.9 percent and this rate of gain was on top of an impressive year ago increase of 13.3 percent. The categories primarily responsible for this growth were hand and body creams/lotions (+8.6 percent) and lip care products (+6.3 percent). The rate of gain for suntan lotion and oil jumped 19.2 percent. ■